LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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PROPOSAL NO.:

LAFCO 2945

HEARING DATE:

MAY 18, 2005

RESOLUTION NO. 2877

A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF SAN BERNARDINO MAKING DETERMINATIONS ON LAFCO 2945, A SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE FOR COUNTY SERVICE AREA SL-1 (STREETLIGHTING).

On motion of Commissioner Nuaimi, duly seconded by Commissioner Williams and carried, the Local Agency Formation Commission adopts the following resolution:

WHEREAS, a service review mandated by Government Code Section 56430 and a sphere of influence update mandated by Government Code Section 56425 have been conducted by the Local Agency Formation Commission of the County of San Bernardino (hereinafter referred to as "the Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by this Commission on this matter; and,

WHEREAS, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

WHEREAS, the public hearing by this Commission was held upon the date and at the time and place specified in the notice of public hearing and in an order or orders continuing the hearing; and,

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the review, in evidence presented at the hearing; and,

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that this service review and sphere of influence update are statutorily exempt from CEQA and such exemption is hereby adopted by this Commission. The Clerk has been directed to file a Notice of Exemption within five working days of adoption of this resolution; and,

WHEREAS, based on presently existing evidence, facts, and circumstances filed with the Local Agency Formation Commission and considered by this Commission, it is determined that the sphere of influence for County Service Area SL-1 (CSA SL-1) shall be affirmed, as more specifically described on the map attached to this resolution; and,

WHEREAS, the following findings are made in conformance with Government Code Section 56430 and local Commission policy:

1. Infrastructure Needs and Deficiencies.

The District provides streetlighting services primarily within the unincorporated area within the San Bernardino Valley. The District has identified that the lighting fixtures for the provision of streetlighting services are owned by Southern California Edison (SCE) with responsibility for payment of energy charges assigned to CSA SL-1. The District requires that developers of new tracts provide payment of an estimated three (3) years of energy costs prior to initial powering of the lights, with the ongoing costs absorbed by the property tax revenues generated within the District following exhaustion of these funds. There are no master plans for the provision of this service by the District; however, new streetlights are required according to policies adopted by the County Board of Supervisors as outlined within the County General Plan in its Improvement Level Standards.

2. Growth and Population.

No specific issues relevant to this factor were identified for the District.

3. Financing Opportunities and Constraints.

The District has had financial problems in the past due to sky-rocketing energy costs resulting in a negative fund balance in FY 2001-02. However, it appears that the escalating property tax values within the County and the stabilization of energy costs are allowing for a more stabilized financial picture for the District. As outlined in the service review report, with the transfer of responsibility for lights not a part of CSA SL-1, and the potential repayment of funds by the Cities affected, a brighter financial picture is emerging for the District. The estimated share of property tax distributed to CSA SL-1 within FY 04-05 is shown as \$527,802. No information was provided on the property tax shift to the State from these revenues as required under the State Budget accord.

4. Cost Avoidance Opportunities.

CSA SL-1 is the primary government entity in the Valley responsible for providing streetlighting services. Duplication of service exists in a few improvement zones created for subdivisions or tracts within the existing boundaries of CSA SL-1. It is anticipated that this duplication can be resolved through a reorganization of CSA SL-1 to provide for annexation of its sphere of influence territory.

5. Rate Restructuring.

The District requires the payment of three (3) years of estimated energy costs at the time that streetlights are authorized to be powered by SCE. No other rates apply to this District.

6. Opportunities for Shared Facilities.

No specific issues relevant to this factor were identified for the District.

7. Government Structure Options.

The District was formed in 1965 through a consolidation of a number of county service areas providing streetlighting services. The retention of CSA SL-1 as the streetlighting entity for the Valley unincorporated area of the County has been shown to be an effective solution to the needs for coordination of this service. However, the recommendation provided is that a reorganization be undertaken by the County to address jurisdictional confusion related to this responsibility.

8. Management Efficiencies.

County Special Districts indicated no specific issues relevant to this factor were identified for the District. However, the service review has identified information indicating that CSA SL-1 currently funds 717 lights outside its boundaries and 48 lights appropriately the responsibility of CSA SL-1 have been paid for by others as outlined in the materials on file in the LAFCO office. In order to resolve these issues, the Commission directs its staff to work with County Administrative Office and the Special Districts Department staffs to:

- a) Transfer the streetlights currently funded by CSA SL-1 outside its boundaries to the appropriate Cities, Hesperia Recreation and Park District, or other County-operated Special District through completion of the required transfer form required by Southern California Edison.
- b) Transfer the streetlights identified as being funded by the Cities of Rancho Cucamonga, Fontana, and Upland, appropriately the responsibility of CSA SL-1, through completion of the required transfer form through Southern California Edison.
- c) Direct staff to prepare a procedure to address the transfer of streetlighting responsibilities in any future LAFCO action annexing territory to a city or a special district providing streetlighting services.
- d) Request that the County Board of Supervisors, as the governing body of CSA SL-1, initiate the annexation of the balance of the District's sphere of influence in order to reconcile the District's boundary with areas that include or will include streetlights to be funded by this entity.

e) Request that the County Land Use Services Department and the County Special Districts Department adopt a process to assure that the appropriate streetlighting entity exists at the time that streetlight installation is required through the land use development process. Request that the process, policy, and/or condition of approval language be provided to the Commission for its information.

9. Local Accountability and Governance.

The District is governed by the County Board of Supervisors, with its administration provided by the County Special Districts Department. The District has no locally-appointed Advisory Commission. The District is required to have, at a minimum, one annual meeting. The District's constituents, recipients of its services, are not generally aware of the District's existence. No other relevant issues concerning this factor have been identified.

WHEREAS, the following findings are made in conformance with Government Code Section 56425 and local Commission policy:

1. PRESENT AND PLANNED LAND USES

The area within CSA SL-1 has been assigned land use designations through the County General Plan, and its primary service area is anticipated to be the most intense urban development. This sphere of influence update and service review have no potential whatsoever to change present or planned land uses within the District sphere.

2. PRESENT AND PROBABLE NEED FOR PUBLIC FACILITIES AND SERVICES IN THE AREA

This agency provides streetlighting service within its boundaries. The provision of this service will be anticipated to be provided to those areas requiring streetlights according to the Improvement Level Standards of the County General Plan. It will have no effect on the present and probable need for these services within the other areas outside its jurisdiction.

3. PRESENT CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES PROVIDED

Within its boundaries, CSA SL-1 provides streetlighting services. It currently provides payment for 4,339 lights in FY 04-05, of which 717 were not within its boundaries. Through development of this information, a process has been established to transfer the responsibility for the 717 lights to the other appropriate entities or provide for a reorganization of CSA SL-1 in order to expand its boundaries to include those additional facilities within unincorporated areas. This sphere of influence update will have no effect on the present and probable need for other services within its jurisdiction.

4. <u>COMMUNITIES OF INTEREST IN THE AREA</u>

CSA SL-1 is a regional service provider for streetlighting services. The boundaries of CSA SL-1 and its sphere of influence currently include lands within a number of separate communities within the Valley and north Desert area, such as portions of Mentone, Bloomington, Lenwood, and San Antonio Heights. There is no single relevant community of interest for this District.

5. **OTHER FINDINGS**

- a) Notice of the original hearing on November 17, 2004 was published as required by law in <u>The Sun</u>, a newspaper of general circulation in the area. As required by state law, individual notification was provided to affected and interested local agencies, County departments, and those individuals wishing mailed notice.
- b) Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.

WHEREAS, the following functions and services are authorized to be provided by the District, as outlined in the Rules and Regulations affecting the functions and services of Special Districts (originally adopted on November 10, 1976), and Exhibit "A" of the Rules and Regulations lists each special district and its services and functions pursuant to the requirements of Section 6 of the Rules and Regulations; and,

WHEREAS, the Local Agency Formation Commission of the County of San Bernardino is required to review and update the Exhibit "A" of the Rules and Regulations of Special Districts to outline the services authorized to be provided as follows:

DISTRICT	FUNCTIONS	SERVICES
CSA SL-1	Streetlighting	Streetlighting

WHEREAS, pursuant to the provisions of Government Code Section 56425(h), the range of services provided by CSA SL-1 is limited to that identified above, and such range of services shall not be changed unless approved by this Commission; and,

WHEREAS, having reviewed and considered the findings as outlined above, the Commission determines to uphold the balance of the District's sphere of influence as it currently exists within San Bernardino County, and is depicted on the map attached to this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission of the County of San Bernardino, State of California, that this Commission shall consider the territory described on the attached map as being within the sphere of

influence of the County Service Area SL-1, it being fully understood that establishment of such a sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

BE IT FURTHER RESOLVED that the Local Agency Formation Commission of the County of San Bernardino, State of California, does hereby determine that CSA SL-1 shall indemnify, defend, and hold harmless the Local Agency Formation Commission of the County of San Bernardino from any legal expense, legal action, or judgment arising out of the Commission's affirmation of this sphere of influence, including any reimbursement of legal fees and costs incurred by the Commission.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission of the County of San Bernardino by the following vote:

AYES: COMMISSIONERS: Biane, Colven, Cox, Hansberger, Nuaimi,

Pearson, Williams

NOES: COMMISSIONERS: None

ABSENT: COMMISSIONERS: None

STATE OF CALIFORNIA

) ss.

COUNTY OF SAN BERNARDINO)

I, KATHLEEN ROLLINGS-McDONALD, Executive Officer of the Local Agency Formation Commission of the County of San Bernardino, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission, by vote of the members present, as the same appears in the Official Minutes of said Commission at its meeting of May 18, 2005.

DATED: May 20, 2005

ATHLEEN ROLLINGS-McDONALD

Executive Officer

